

REMARKS

Upon entry of this Response: claims 1, 4, 7, 10, and 11 will be amended; claims 3, 5, 8-9, and 12-35 will be canceled; and claims 36-43 will be newly added. No new matter has been added. Reconsideration and further examination are respectfully requested in view of the following Remarks.

The previously pending claims were rejected under 35 USC § 102 and/or 103 as being unpatentable over US Patent No. 6,907,566 ("McElfresh") and/or US Publication No. 2004/0103024 ("Patel").

Claim 1 has been amended to include limitations previously recited in claims 5, 8, and 9. In particular, claim 1 now recites that "the remote user device locally determines when the advertisement will be displayed based on contextual information associated with information being accessed by a user." For example, an application running on a user's Personal Computer (PC) might determine when to display an advertisement to the user (note, however, that a central advertising server might have previously selected the advertisement –and transmitted it to the user's PC - based on based on the cost-per-action values and user purchase frequency).

Applicants respectfully suggest that none of the references, taken alone or in combination, disclose or suggest such a feature. For example, McElfresh discloses that a relational advertising server 112 reviews contextual information to determine when an advertisement will be displayed (*i.e.*, be embedded into a web page transmitted to the user's PC). Col. 6, lines 36 to 49. It does not disclose, however, that the user's PC will review contextual information to determine when to display an advertisement.

Moreover, in connection with the 35 U.S.C. § 103 rejection of previously pending claim 5, a *prima facie* case of obviousness requires some evidence that would have led one of ordinary skill in the art to arrive at the claimed invention. In the present case, there is simply no convincing argument that would lead to the conclusion that one of ordinary skill in the art would have been motivated to modify the references in the way suggested by the Office Action.

The teaching or suggestion to make the claimed combination must be found in the prior art, and not based on the Applicant's disclosure. In re Vaeck, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991). The fact that references can potentially be modified to produce a benefit does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination. MPEP 2143.01.

The absence of a convincing line of reasoning to modify the references indicates that the Examiner has simply used the present invention as a motivation to modify the reference – the essence of impermissible hindsight reconstruction. Applicants respectfully suggest that “in order to provide another way for advertisers to pay publishers, allowing the advertisers to choose the model that is more convenient for them” falls far short of a motivation or reasoning to combine the references to create the specific method as recited in claim 1.

Because there is no teaching or suggestion to modify the reference in this way, a *prima facie* case of obviousness has not been established.

Thus, Applicants respectfully request reconsideration and allowance of claim 1. The remaining claims depend from claim 1, or contain similar limitations, and should therefore also be allowable.

Claim 41 further recites that the advertisement is displayed to the user “when the user device is not communicating via the Internet.” As with local determination of the advertisement based on contextual information, the references do not disclose or suggest such a feature. This is an additional reason why claim 41 is allowable.

Moreover, claim 42 recites further steps associated with obtaining a user's permission before displaying the advertisement. In particular, “an indication of [an] advertisement category” is provided to the user (and an indication that the user is interested in that category is received from the user). The references do not disclose or suggest such a feature, and this is an additional reason why claim 42 is allowable.

CONCLUSION

Accordingly, Applicants respectfully request allowance of the pending claims. If any issues remain, or if the Examiner has any further suggestions for expediting allowance of the present application, the Examiner is kindly invited to contact the undersigned via telephone at (203) 972-0191.

Respectfully submitted,

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